

**SOUTHERN UNIVERSITY SYSTEM
SINGLE AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2010**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8-10-11

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INDEPENDENT AUDITORS' REPORT ON THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS

Dr. Robert Mason, Jr., President
Southern University System
Baton Rouge, Louisiana

We have audited the accompanying Schedules of Expenditures of Federal Awards of the Southern University System (the University) for the year ended June 30, 2010. The Schedules of Expenditures of Federal Awards are the responsibility of the University's management. Our responsibility is to express an opinion on the Schedules of Expenditures of Federal Awards based on our audit. The accompanying Schedules of Expenditures of Federal Awards are not a part of the University's component unit financial statements for the year ended June 30, 2010. The component unit financial statements were audited by the State of Louisiana's Legislative Auditor whose report had not been issued as of this report issuance date.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to *Government Auditing Standards*, issued by the Comptroller General of the United States and the provisions of OMB Circular A-133. Those standards and the provisions of OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the Schedules of Expenditures of Federal Awards are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Schedules of Expenditures of Federal Awards. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the Schedules of Expenditures of Federal Awards referred to above present fairly, in all material respects, the expenditures of federal awards for the year ended June 30, 2010 in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 16, 2011 on our consideration of the Southern University System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of the testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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Our audit was conducted for the purpose of forming an opinion on the basic Schedules of Expenditures of Federal Awards of the Southern University System taken as a whole. The supplementary data included in this report is presented for purposes of additional analysis, and is not a required part of the Schedules of Expenditures of Federal Awards. Such information has been subjected to the auditing procedures applied in the audit of the Schedules of Expenditures of Federal Awards and, in our opinion, is fairly stated, in all material respects, in relation to the Schedules of Expenditures of Federal Awards taken as a whole.

Silva Gurtner & Abney, LLC

March 16, 2011

SOUTHERN UNIVERSITY SYSTEM
BOARD AND SYSTEM ADMINISTRATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

Federal Grantor/Program Name	Federal CFDA		Pass Through Entity's Number	Activity
	Federal or Other Number	Number		
(1)	(1)	(1)	(1)	(1)

(1) Southern University - Board and System Administration did not disburse any federal expenditures during the year ended June 30, 2010.

The accompanying notes are an integral part of these schedules.

**SOUTHERN UNIVERSITY SYSTEM
BATON ROUGE CAMPUS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010**

Federal Grantor/Program Name	Federal CFDA or Other Number	Pass Through Entity's Number	Activity
U.S. Department of Agriculture			
<u>Direct Awards</u>			
Agricultural Research Basic And Applied Research	10.001	N/A	\$ 241,320
Federal-State Marketing Improvement Program	10.156	N/A	9,997
Grants For Agric Research--Competitive Research	10.206	N/A	122,919
1890 Institution Capacity Bldg Grants	10.216	N/A	227,161
Cooperative Extension Service	10.500	N/A	95,854
Commodity Supplemental Food Program	10.565	N/A	44
Forest Products Lab: Technology Marketing Unit (Tmu)	10.674	N/A	46,204
Urban And Community Forestry Program	10.675	N/A	23,132
Agricultural Statistics Reports	10.950	N/A	5,035
Cochran Fellowship Program - Intl Training - Foreign Participant	10.962	N/A	44,530
<u>Research & Development Cluster</u>			
Agricultural Research Basic And Applied Research	10.001	N/A	14,155
Cooperative Forestry Research	10.202	N/A	14,025
Payments To 1890 Land Grant Colleges And Tuskegee Univ	10.205	N/A	114,085
Grants For Agric Research--Competitive Research	10.206	N/A	16,147
1890 Institution Capacity Bldg Grants	10.216	N/A	565,691
Agriculture And Food Research Initiative	10.310	N/A	1,347
Outreach And Assistance For Socially Disadvantaged Farmers And Ranchers	10.443	N/A	122,834
Cooperative Extension Service	10.500	N/A	(38,067)
Forestry Research	10.652	N/A	3,288
1890 Land Grant Institutions Rural Entrepreneurial Outreach Program	10.856	N/A	49,327
<u>Awards From a Pass-Through Entity:</u>			
<u>Pass-Through: University of Maryland-Eastern Shore</u>			
1890 Institution Capacity Bldg Grants	10.216	2066388201748	6,382

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(Continued)

The accompanying notes are an integral part of these schedules

SOUTHERN UNIVERSITY SYSTEM
BATON ROUGE CAMPUS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS*
FOR THE YEAR ENDED JUNE 30, 2010

Federal Grantor/Program Name	Federal CFDA or Other Number	Pass Through Entity's Number	Activity
U.S. Department of Agriculture (Continued)			
<u>Awards From a Pass-Through Entity:</u>			
<u>Pass-Through: University of Georgia</u>			
Cooperative Extension Service	10.500	RE6751493504	\$ 10,794
<u>Pass-Through: University of South Carolina</u>			
SUATCH	NA	04-443621-FCS-SU-LA	12,292
Total U.S. Department of Agriculture			1,708,496
U.S. Department of Defense			
<u>Direct Awards</u>			
Basic And Applied Scientific Research	12.300	N/A	12,293
<u>Awards From a Pass-Through Entity:</u>			
<u>Pass-Through: Institute for International Education</u>			
Rotc Language And Culture Training Grants	12.357	HQ0034082002	71,191
<u>Pass-Through: North Carolina A & T University</u>			
Basic Scientific Research	12.431	W911NF091026	10,095
<u>Pass-Through: Clarkson Aerospace Inc.</u>			
Air Force Defense Research Sciences Program	12.800	SUSE06S56707C1	154,447
<u>Research & Development Cluster</u>			
Flood Plain Management Service	12.104	N/A	18,996
Basic And Applied Scientific Research	12.300	N/A	287,908
Basic Scientific Research	12.431	N/A	15,315
Air Force Defense Research Sciences Program	12.800	N/A	91,590
ARRA-Ecological Services	NA	N/A	203,354
Total U.S. Department of Defense			865,189

(Continued)

The accompanying notes are an integral part of these schedules.

SOUTHERN UNIVERSITY SYSTEM
BATON ROUGE CAMPUS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

Federal Grantor/Program Name	Federal CFDA or Other Number	Pass Through Entity's Number	Activity
<u>U.S. Department of Housing and Urban Development</u>			
<u>Direct Awards</u>			
Historically Black Colleges and Universities Program	14,520	N/A	\$ 195,548
Total U.S. Department of Housing and Urban Development			195,548
<u>U.S. Department of Interior</u>			
<u>Research & Development Cluster</u>			
Cultural Resource Management	15,224	N/A	17,152
Total U.S. Department of Interior			17,152
<u>U.S. Department of State Bureau Of Educational And Cultural Affairs</u>			
<u>Direct Awards</u>			
One Time International Exchange Program	19,014	N/A	97,681
Professional And Cultural Exchange Programs - Citizen Exchanges	19,415	N/A	217,598
Total U.S. Department Of State Bureau Of Educational And Cultural Affairs			315,279
<u>U.S. Department Of Treasury Internal Revenue Service (IRS)</u>			
<u>Direct Awards</u>			
Low Income Taxpayers Clinic	21,008	N/A	70,000
Total U.S. Department Of Treasury Internal Revenue Service (IRS)			70,000
<u>National Aeronautics And Space Administration</u>			
<u>Research & Development Cluster</u>			
Aeronautics	43,002	N/A	62,850
Total National Aeronautics And Space Administration			62,850

(Continued)

The accompanying notes are an integral part of these schedules

SOUTHERN UNIVERSITY SYSTEM
BATON ROUGE CAMPUS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

Federal Grantor/Program Name	Federal CFDA		Pass Through Entity's Number	Activity
	Federal or Other Number	Number		
U.S. National Science Foundation				
<u>Direct Awards</u>				
Mathematical And Physical Sciences	47.049	N/A	\$	365,984
Education And Human Resources	47.076	N/A		1,406,018
Awards From a Pass-Through Entity:				
<u>Pass-Through: Material Methods LLC</u>				
Mathematical And Physical Sciences	47.049	N/A		7,691
<u>Pass-Through: California Institute of Technology</u>				
Mathematical And Physical Sciences	47.049	CHE-0802907		145,720
<u>Pass-Through: Tulane University</u>				
Education And Human Resources	47.076	TUL-1460203		57,971
<u>Pass-Through: Michigan Technological University</u>				
Education And Human Resources	47.076	DGE-0338401		132,070
<u>Pass-Through: University of Central Florida</u>				
Education And Human Resources	47.076	REC-0447676		5,954
<u>Pass-Through: Research Foundation of CUNY - Hunter College</u>				
Education And Human Resources	47.076	HRD-0833392		190,933
<u>Pass-Through: University of Wisconsin-Madison</u>				
Polar Programs	47.078	OPP-0236449		30,996
Research & Development Cluster				
Engineering Grants	47.041	N/A		43,494
Mathematical And Physical Sciences	47.049	N/A		633,344
Education And Human Resources	47.076	N/A		590,482
International Science And Engineering	47.079	N/A		40,799
ARRA-Trans-nst Recovery Act Research Support	47.082	N/A		128,431
Total U.S. National Science Foundation				3,779,887
U.S. Department of Energy				
<u>Direct Awards</u>				
Office Of Science Financial Assistance Program	81.049	N/A		228,598

(Continued)

The accompanying notes are an integral part of these schedules.

**SOUTHERN UNIVERSITY SYSTEM
BATON ROUGE CAMPUS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010**

Federal Grantor/Program Name	Federal CFDA or Other Number	Pass Through Entity's Number	Activity
U.S. Department of Energy (Continued)			
Research & Development Cluster			
Fossil Energy Research And Development	81.089		\$ 91,132
Total U.S. Department of Energy			319,730
U.S. Department of Education			
Direct Awards			
Higher Education - Institutional Aid	84.031	N/A	11,615,597
Rehabilitation Long-Term Training	84.129	N/A	441,727
National Institute On Disability And Rehabilitation Research	84.133	N/A	233,292
Business And International Education Projects	84.153	N/A	8,602
Capacity Bldg For Traditionally Underserved Populations	84.315	N/A	270,715
Student Financial Assistance Cluster			
Federal Supplementary Educational Opportunity Grants	84.007	N/A	697,702
Federal Supplementary Educational Opportunity Grants	84.007	N/A	66,688
Federal Work Study Program	84.033	N/A	609,618
ARRA - Federal Work Study Program	84.033	N/A	143,562
Federal Pell Grant Program	84.063	N/A	20,475,928
Academic Competitiveness Grants	84.375	N/A	392,677
National Science And Mathematics Access To Retain Talent (Smart) Grants	84.376	N/A	110,653
Teacher Education Assistance For College And Higher Education Grants (Teach Grants)	84.379	N/A	5,490
TRIO Cluster			
TRIO - Talent Search	84.044	N/A	638,828
TRIO - Upward Bound	84.047	N/A	821,479
TRIO - McNair Post Baccalaureate Achievement	84.217	N/A	230,248
Total U.S. Department of Education			36,762,806

(Continued)

The accompanying notes are an integral part of these schedules.

SOUTHERN UNIVERSITY SYSTEM
BATON ROUGE CAMPUS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

Federal Grantor/Program Name	Federal CFDA or Other Number	Pass Through Entity's Number	Activity
U.S. Department of Health and Human Services			
<u>Direct Awards</u>			
HIV Prevention Program For Women	93.015	N/A	\$ 78,259
Healthy Marriage Promotion And Responsible Fathers Grant	93.086	N/A	225,522
Advanced Nursing Education Traineeship	93.358	N/A	41,014
ARRA - Scholarships For Disadvantaged Students	93.407	N/A	98,588
<u>Head Start Cluster</u>			
Head Start Cluster	93.600		102,745
<u>Awards From a Pass-Through Entity:</u>			
<u>Pass-Through: Dillard University</u>			
Niehs Hazardous Waste Workers Health and Safety Training	93.142	N/A	139,373
<u>Research and Development Cluster</u>			
ARRA -Trans Nih - Recovery Act Research Support	93.701	N/A	107,902
Biomedical Research And Research Training	93.859	N/A	165,935
<u>Student Financial Assistance Cluster</u>			
Scholarships for Health Professions Students from Disadvantaged Backgrounds	93.925		221,579
Total U.S. Department of Health and Human Services			1,180,917
U. S. Agency For International Development			
<u>Awards From a Pass-Through Entity:</u>			
<u>Pass-Through: ACE (American Council on Education) HED (Higher Education for Development)</u>			
USAID Development Partnerships For University Cooperation And Development	98.012	N/A	50,000
Total U. S. Agency For International Development			50,000
Total Expenditures of Federal Awards			\$ 45,327,854
			(Concluded)

The accompanying notes are an integral part of these schedules.

SOUTHERN UNIVERSITY SYSTEM
NEW ORLEANS CAMPUS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

Federal Grantor/Program Name	Federal CFDA or Other Number	Pass Through Entity's Number	Activity
<u>U.S. Department of Defense</u>			
<u>Direct Awards</u>			
SUNO-DSA	12.420	N/A	\$ 400,622
Total U.S. Department of Defense			400,622
<u>U.S. Department of Housing and Urban Development</u>			
<u>Direct Awards</u>			
Historically Black Colleges and Universities Program	14.520	N/A	13,326
Total U.S. Department of Housing and Urban Development			13,326
<u>U.S. National Science Foundation</u>			
<u>Direct Awards</u>			
National Science Foundation PESMaCt	47.076	N/A	117,453
National Science Foundation PAESMEM	47.076	N/A	2,542
National Science Foundation SCH Excel	47.076	N/A	110,168
National Science Foundation E3Mas	47.076	N/A	209,956
<u>Awards From a Pass-Through Entity:</u>			
<u>Passed-Through: Tulane University</u>			
Graduate Alliance for Education in LA-NSF	47.076	5-27625	7,644
Total U.S. National Science Foundation			447,763
<u>U.S. Small Business Administration</u>			
<u>Direct Awards</u>			
Bienville Corridor SBA Fund	59.100	N/A	10,000
			(Continued)

The accompanying notes are an integral part of these schedules.

SOUTHERN UNIVERSITY SYSTEM
NEW ORLEANS CAMPUS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

Federal Grantor/Program Name	Federal CFDA or Other Number	Pass Through Entity's Number	Activity
U.S. Small Business Administration (Continued)			
Awards From a Pass-Through Entity:			
<u>Passed-Through: University of Louisiana at Monroe</u>			
Louisiana Small Business Administration	59.037	5-27105	\$ 8,874
Louisiana Small Business Administration	59.037	5-27108	26,767
Total U.S. Small Business Administration			45,641
U.S. Department of Education			
<u>Direct Awards</u>			
Higher Education - Institutional Aid	84.031	N/A	2,619,335
Minority Science and Engineering Improvement	84.120	N/A	32,286
<u>Student Financial Assistance Cluster</u>			
Federal Supplemental Educational Opportunity Grants	84.007	N/A	100,376
Federal Work-Study Program	84.033	N/A	220,332
Federal Pell Grant Program	84.063	N/A	10,976,105
Academic Competitiveness Grants	84.375	N/A	1,125
National SMART Grant	84.376	N/A	18,201
Teach	84.379	N/A	51,500
<u>TRIO Cluster</u>			
TRIO - Student Support Services	84.042A	N/A	636,543
TRIO - Talent Search	84.044A	N/A	333,583
TRIO - Upward Bound	84.047A	N/A	429,873
Total U.S. Department of Education			15,419,259

(Continued)

The accompanying notes are an integral part of these schedules.

SOUTHERN UNIVERSITY SYSTEM
NEW ORLEANS CAMPUS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

Federal Grantor/Program Name	Federal CFDA or Other Number	Pass Through Entity's Number	Activity
U.S. Department of Health and Human Services			
<u>Direct Awards</u>			
Family Domestic Violence Prevention Services	93.910	N/A	\$ 27,773
Total U.S. Department of Health and Human Services			27,773
Total Expenditures of Federal Awards			\$ 16,354,384
			(Concluded)

The accompanying notes are an integral part of these schedules.

SOUTHERN UNIVERSITY SYSTEM
SHREVEPORT-BOSSIER CITY CAMPUS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

Federal Grantor/Program Name		Federal CFDA or Other Number	Pass Through Entity's Number	Activity
<u>U.S. Department of Housing and Urban Development</u>				
<u>Direct Awards</u>				
Historically Black Colleges and Universities Program		14,520	N/A	\$ 220,529
Total U.S. Department of Housing and Urban Development				220,529
<u>U.S. Department of Labor</u>				
<u>Direct Awards</u>				
WIA Pilots, Demonstrations, and Research Projects		17,261	N/A	110,451
Competitive Grants for Worker Training and Placement in High Growth and Emerging Industry Sectors		17,275	N/A	129,078
Total U.S. Department of Labor				239,529
<u>U.S. National Science Foundation</u>				
<u>Direct Awards</u>				
Education and Human Resources		47,076	N/A	291,478
Total U.S. National Science Foundation				291,478
<u>U.S. Small Business Administration</u>				
<u>Direct Awards</u>				
Small Business Earmark Grant		59,000	N/A	45,408
Total U.S. Small Business Administration				45,408
<u>U.S. Environmental Protection Agency</u>				
<u>Direct Awards</u>				
Brownfield Job Training Cooperative Agreements		66,815	N/A	68,408
Total U.S. Environmental Protection Agency				68,408

(Continued)

The accompanying notes are an integral part of these schedules.

SOUTHERN UNIVERSITY SYSTEM
SHREVEPORT-BOSSIER CITY CAMPUS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

Federal Grantor/Program Name	Federal CFDA or Other Number	Pass Through Entity's Number	Activity
U.S. Department of Education			
<u>Direct Awards</u>			
Higher Education - Institutional Aid	84.031	N/A	\$ 4,176,271
<u>Student Financial Assistance Cluster</u>			
Federal Supplemental Educational Opportunity Grants	84.007	N/A	80,744
Federal Work-Study Program	84.033	N/A	256,810
Federal Pell Grant Program	84.063	N/A	8,335,760
Academic Competitiveness Grants	84.375	N/A	45,750
<u>TRIO Cluster</u>			
TRIO - Student Support Services	84.042	N/A	384,824
TRIO - Talent Search	84.044	N/A	427,482
TRIO - Upward Bound	84.047	N/A	1,038,612
TRIO - Educational Opportunity Centers	84.066	N/A	212,733
Total U.S. Department of Education			15,158,986
U.S. Department of Health and Human Services			
<u>Direct Awards</u>			
<u>Research and Development Cluster</u>			
Minority Health and Health Disparities Research	93.307	N/A	206,310
Assets for Independence Demonstration Program	93.602	N/A	7,513
Total U.S. Department of Health and Human Services			213,823
Total Expenditures of Federal Awards			\$ 16,238,161
			(Concluded)

The accompanying notes are an integral part of these schedules.

SOUTHERN UNIVERSITY SYSTEM
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2010

NOTE A – GENERAL

Nature of the University

The Southern University System (the University), is a publicly supported institution of higher education. The University is a political subdivision of the State of Louisiana, as defined by Government Accounting Standards Board Statement No. 14 within the Executive Branch of government, under the management and supervision of the Southern University Board of Supervisors. However, the annual budget of the University and proposed changes to the degree programs, departments of instruction, et cetera, require the approval of the Board of Regents. The Board of Supervisors is comprised of 17 members appointed for a six-year term by the Governor with the consent of the Senate, and one student member appointed for a one-year term by a council composed of the student body presidents of the University. As a state agency, operations of the University's instructional programs are funded through annual lapsing appropriations made by the Louisiana Legislature.

The Southern University System is comprised of four separate agencies. These agencies are :

1. Board and System Administration;
2. Baton Rouge Campus;
3. New Orleans Campus; and
4. Shreveport-Bossier City Campus.

Basis of Accounting and Presentation

The accompanying Schedules of Expenditures of Federal Awards (the Schedules) present the activity of all federal financial assistance programs administered by the Southern University System. All expenditures of federal awards received directly from federal agencies and pass-through entities are included on the Schedules. Because the Schedules present only a selected portion of the activities of the System, it is not intended to and does not present either the financial position, changes in fund balances, or the current funds revenues, expenditures, or other changes of the University.

Annually, the State of Louisiana issues a Schedule of Expenditures of Federal Awards, which includes the activity contained in the accompanying Schedules of Expenditures of Federal Awards.

The accompanying Schedules of Expenditures of Federal Awards are presented using the modified accrual basis of accounting which is described in the notes to the University's component unit financial statements which are audited by the Legislative Auditors. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**SOUTHERN UNIVERSITY SYSTEM
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2010**

NOTE A – GENERAL, CONTINUED

Basis of Accounting and Presentation, continued

All federal grant expenditures, except Cooperative Extension (CFDA Number 10.500) and Payments to 1890 Land Grant Colleges and Tuskegee University (CFDA Number 10.205), are accounted for in the Current Funds-Restricted of the respective agency of the University. Grant expenditures relative to Cooperative Extension and Payments to 1890 Land Grant Colleges are accounted for in the Current Funds-Unrestricted of the Baton Rouge Campus.

The accompanying Schedules of Expenditures of Federal Awards has been prepared in the format as set forth in OMB Circular A-133 and the related Compliance Supplement. The purpose of the Schedule of Expenditures of Federal Awards is to present a summary of those activities of the Southern University System for the year ended June 30, 2010, which have been financed principally by the U. S. Government (federal awards). For purposes of the Schedules, federal awards include all federal assistance and procurement relationships entered into directly between the University and the federal government and sub-awards from non-federal organizations made under federally sponsored agreements. Because the Schedules present only a selected portion of the activities of the University, it is not intended to and does not present the financial position, changes in fund balances or the current fund's revenues, expenditures, and other changes of the University.

NOTE B – PROGRAM ACTIVITY, ORGANIZATION, AND FINANCING (PERKINS LOANS)

The Perkins Loan Program, (the Program) formerly the National Direct Student Loan Program, is operated by the University under an agreement with the United States Department of Education. Each campus within the University maintains its own separate Loan Fund. The accounts of each Program are included among the Loan Funds for each campus within the University.

The Shreveport-Bossier City and Baton Rouge Campuses did not disburse any loans to students during the year ended June 30, 2010. Additionally, the campuses did not receive any federal capital contributions during the year ended June 30, 2010. The New Orleans Campus has discontinued the Perkins Loan program and has repaid the Federal Fund Capital to the U.S. Department of Education.

SOUTHERN UNIVERSITY SYSTEM
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2010

**NOTE B – PROGRAM ACTIVITY, ORGANIZATION, AND FINANCING (PERKINS LOANS),
CONTINUED**

Listed below is a brief summary of the loan activity as taken from the unaudited records for each campus:

BATON ROUGE CAMPUS

	Period from Inception to June 30, 2010 (Unaudited)	For the Year Ended June 30, 2010
Contributions		
Federal	\$ 6,616,617	\$ -
University	735,180	-
Total	<u>\$ 7,351,797</u>	<u>\$ -</u>
Repayments of Fund Capital		
Federal	\$ 2,092,551	\$ -
University	232,505	-
Total	<u>\$ 2,325,056</u>	<u>\$ -</u>
Analysis of Loans Receivable		
Balance, 07/01/09	\$ 9,942,682	\$ -
Funds advanced/adjustments	-	-
Total	<u>9,942,682</u>	-
Less: Credits		
Collection	4,915,821	9,274
Cancellations -		
Teaching service/military	561,797	39
Death/disability	54,631	-
Bankruptcy	89,978	-
Defaulted loan principal assigned to Government	2,713,335	-
Allowance for doubtful accounts	1,569,611	(9,313)
Other adjustments	<u>37,509</u>	-
Total credits	<u>9,942,682</u>	-
Balance 06/30/10	<u>\$ -</u>	<u>\$ -</u>

SOUTHERN UNIVERSITY SYSTEM
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2010

**NOTE B – PROGRAM ACTIVITY, ORGANIZATION, AND FINANCING (PERKINS LOANS),
CONTINUED**

SHREVEPORT-BOSSIER CAMPUS

	Period from Inception to June 30, 2010 <u>(Unaudited)</u>	For the Year Ended June 30, 2010
Contributions		
Federal	\$ 941,904	\$ -
University	104,656	-
Total	<u>\$ 1,046,560</u>	<u>\$ -</u>
Repayments of Fund Capital		
Federal	\$ 417,278	\$ -
University	44,564	-
Total	<u>\$ 461,842</u>	<u>\$ -</u>
Analysis of Loans Receivable		
Balance, 07/01/09	\$ 1,364,255	\$ 445,107
Funds advanced/adjustments	-	-
Total	<u>1,364,255</u>	<u>445,107</u>
Less: Credits		
Collection	789,638	1,881
Cancellations -		
Teaching service/military	3,795	-
Death/disability	15,371	-
Bankruptcy	12,694	-
Other	9,727	-
Defaulted loan principal assigned to Government	<u>89,804</u>	<u>-</u>
Total credits	<u>921,029</u>	<u>-</u>
Balance 06/30/10	<u>\$ 443,226</u>	<u>\$ 443,226</u>

SOUTHERN UNIVERSITY SYSTEM
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2010

NOTE C – PELL GRANT PROGRAM

The Pell Grant program provides eligible students with a foundation of financial aid to help defray the costs of post-secondary education. The University receives direct payment from the U.S. Department of Education for allowable administrative costs.

During the year ended June 30, 2010, each campus disbursed the following amounts for Pell Grants for the prior and current year, and received the following direct payments from the U.S. Department of Education for allowable administrative costs.

<u>Pell Campus</u>	<u>Expenditure</u>	<u>Administrative Cost Recovery</u>
Baton Rouge	\$ <u>20,475,928</u>	\$ <u>20,285</u>
New Orleans	\$ <u>10,976,105</u>	\$ <u>13,425</u>
Shreveport-Bossier City	\$ <u>8,535,760</u>	\$ <u>-</u>

NOTE D – FEDERAL FAMILY EDUCATION LOAN PROGRAM

The Student Loan Programs enable eligible students to borrow directly from a bank or other lending institutions, and a portion of the loan is guaranteed by the Federal Government. The loan activity is not required to be recorded in the accounting records of the University. During the year ended June 30, 2020, the following amounts were disbursed by each campus for the Federal Family Education Loan Program:

	<u>Expenditure</u>
Baton Rouge	\$ <u>60,913,739</u>
New Orleans	\$ <u>20,449,681</u>
Shreveport-Bossier City	\$ <u>6,678,639</u>

SOUTHERN UNIVERSITY SYSTEM
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2010

NOTE E – COLLEGE WORK-STUDY PROGRAM

The University established the College Work-Study (CWS) Program pursuant to Title IV, Part C of the Higher Education Act of 1965, as amended. During the year ended June 30, 2010, the following amounts were disbursed by each campus for the CWS Program:

<u>Description</u>	<u>Expenditure</u>
<u>Baton Rouge Campus</u>	
Federal Expenditures	\$ 717,315
Administrative costs	<u>35,865</u>
Subtotal	753,180
Institutional matching	<u>-</u>
Total	<u>\$ 753,180</u>
<u>New Orleans Campus</u>	
Federal Expenditures	\$ 209,315
Administrative costs	<u>11,017</u>
Subtotal	220,332
Institutional matching	<u>-</u>
Total	<u>\$ 220,332</u>
<u>Shreveport-Bossier City Campus</u>	
Federal Expenditures	\$ 244,680
Administrative costs	<u>12,130</u>
Subtotal	256,810
Institutional matching	<u>-</u>
Total	<u>\$ 256,810</u>

The Baton Rouge, New Orleans and Shreveport-Bossier City Campuses elected and received approval from the U.S. Department of Education to waive the institutional matching requirement for the College Work-Study Program's approved funding level for the fiscal year ended June 30, 2010. Each campus was entitled to this waiver because of its participation in the Strengthening Historically Black Colleges Title III Program.

SOUTHERN UNIVERSITY SYSTEM
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2010

NOTE F – FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS

The Federal Supplemental Educational Opportunity Grants (FSEOG) Program was established at the University in 1965 under Title IV, Part A of the Higher Education Act of 1965, as amended. During the year ended June 30, 2010, the following amounts were disbursed by each campus for the FSEOG Program:

<u>Description</u>	<u>Expenditure</u>
<u>Baton Rouge Campus</u>	
Federal Expenditures	\$ 727,867
Administrative costs	<u>36,523</u>
Subtotal	764,390
Institutional matching	<u>-</u>
Total	<u>\$ 764,390</u>
<u>New Orleans Campus</u>	
Federal Expenditures	\$ 95,231
Administrative costs	<u>5,145</u>
Subtotal	100,376
Institutional matching	<u>-</u>
Total	<u>\$ 100,376</u>
<u>Shreveport-Bossier City Campus</u>	
Federal Expenditures	\$ 76,899
Administrative costs	<u>3,845</u>
Subtotal	80,744
Institutional matching	<u>-</u>
Total	<u>\$ 80,744</u>

**SOUTHERN UNIVERSITY SYSTEM
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2010**

NOTE G – STATE EXPENDITURES - PREVENTIVE MAINTENANCE

As provided by Louisiana Revised Statute 17:3 886(A), the University adopted a building and facility preventive maintenance program which was approved by the Louisiana Board of Regents. This program allows the University to retain any funds appropriated or allocated, which were unexpended and unobligated at the end of the fiscal year.

NOTE H – AGENCY FUNDS

This fund group represents funds for which the University acts as custodian or fiscal agent on behalf of others, such as student or faculty organizations and workshops.

NOTE I – CONTINGENCIES

Participation in Grant Loan Programs

The University administers and participates in certain federal and state programs as disclosed in the Schedules of Expenditures of Federal Awards in connection with the administration and operations of these programs; the University is to expend grant funds, and allocations in accordance with program guidelines and regulations. However, should the University have operated/administered the programs and/or grants in a manner which would be in noncompliance with the guidelines and regulations, the University may be required by funding sources to repay some portion or all of the grant award.

The audit disclosed certain items or transactions as questioned costs. The accompanying Schedules of Expenditures of Federal Awards have not been adjusted for those items. The ultimate resolution or determination as to whether the costs will be allowable or unallowable under the affected grants will be made by the related agencies and the various funding sources.

NOTE J – MAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS

The Southern University System's major federal financial assistance programs for the year ended June 30, 2010 were determined on a state level based upon program update activity. Such programs are the Student Financial Assistance Cluster; State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act (Education Stabilization Fund); Foster Care – Title IV-E; Disaster Grants – Public Assistance; and the Research and Development Cluster.

NOTE K – SUPPLEMENTARY FINANCIAL INFORMATION

The Schedules of Disclosures for Federally Assisted Loans summarizes the amount of loans made or disbursed during the year for the Federal Family Education Loan.

The Schedules of Fixed Price Contracts summarizes the total amount of revenues received and expenses disbursed under fixed-price contracts.

SOUTHERN UNIVERSITY SYSTEM
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2010

NOTE K – SUPPLEMENTARY FINANCIAL INFORMATION, CONTINUED

The Schedules of Non-State Sub-Recipients of Major Federal Programs represent disbursements of major program funds to non-State of Louisiana sub-recipients.

The Schedules of State Entity Sub-Recipients of Federal Programs represent disbursement of federal funds to State of Louisiana agencies.

The Schedules of Disbursements of ARRA Funds to Sub-Recipients represent disbursements funded by the American Recovery Act to State of Louisiana and non-State of Louisiana sub-recipients.

SUPPLEMENTARY INFORMATION

SCHEDULE J

**SOUTHERN UNIVERSITY SYSTEM
BOARD AND SYSTEM ADMINISTRATION
SCHEDULE OF FEDERALLY ASSISTED LOANS
FOR THE YEAR ENDED JUNE 30, 2010**

Federal Grantor/ Program Name	CFDA No. or Other Identifying No.	Loans		Loans Received	Outstanding Loan Balance	Principal and Interest Canceled
		Made or Disbursed				
U.S. Department of Education - Federal Family Education Loans	84.032	\$ -	\$ -	-	N/A	N/A

SCHEDULE II

**SOUTHERN UNIVERSITY SYSTEM
BATON ROUGE CAMPUS
SCHEDULE OF FEDERALLY ASSISTED LOANS
FOR THE YEAR ENDED JUNE 30, 2010**

Federal Grantor/ Program Name	CFDA No. or Other Identifying No.	Loans Made or Disbursed	Loans Received	Outstanding Loan Balance	Principal and Interest Canceled
U.S. Department of Education - Federal Family Education Loans	84.032	\$ 60,913,739	\$ 60,913,739	N/A	N/A

SCHEDULE III

**SOUTHERN UNIVERSITY SYSTEM
NEW ORLEANS CAMPUS
SCHEDULE OF FEDERALLY ASSISTED LOANS
FOR THE YEAR ENDED JUNE 30, 2010**

Federal Grantor/ Program Name	CFDA No. or Other Identifying No.	Loans		Loans Received	Outstanding Loan Balance	Principal and Interest Canceled
		Made or Disbursed				
U.S. Department of Education - Federal Family Education Loans	84.032	\$ 20,449,681	\$ 20,449,681	\$ 20,449,681	N/A	N/A

SCHEDULE IV

SOUTHERN UNIVERSITY SYSTEM
SHREVEPORT - BOSSIER CITY CAMPUS
SCHEDULE OF FEDERALLY ASSISTED LOANS
FOR THE YEAR ENDED JUNE 30, 2010

Federal Grantor/ Program Name	CFDA No. or Other Identifying No.	Loans Made or Disbursed	Loans Received	Outstanding Loan Balance	Principal and Interest Canceled
U.S. Department of Education - Federal Family Education Loans	84.032	\$ 6,678,639	\$ 6,678,639	N/A	N/A

SCHEDULE V

**SOUTHERN UNIVERSITY SYSTEM
BOARD AND SYSTEM ADMINISTRATION
SCHEDULE OF FIXED-PRICE CONTRACTS
FOR THE YEAR ENDED JUNE 30, 2010**

Source (Direct or Pass-Through) Cluster Name (if applicable) & Federal Grantor	Pass-Through Entity	Program Name	CFDA or Other Identifying No.	Project Name	Award ID Number	Revenues
(1)	(1)	(1)	(1)	(1)	(1)	(1)

(1) Southern University - Board and System Administration did not receive any revenues under the terms of fixed-price contracts during the year ended June 30, 2010.

**SOUTHERN UNIVERSITY SYSTEM
BATON ROUGE CAMPUS
SCHEDULE OF FIXED-PRICE CONTRACTS
FOR THE YEAR ENDED JUNE 30, 2010**

Source (Direct or Pass-Through) Cluster Name (if applicable) & Federal Grantor	Pass-Through Entity	Program Name	CFDA or Other Identifying No.	Project Name	Award ID Number	Revenues
<u>Direct Awards:</u>						
U.S. Department of Defense	N/A	Emergency Operations Flood Response	12.103	Usace Terrebonne	W912P807D001	\$ 1,791
U.S. Department of Defense	N/A	Flood Plain Management Service	12.104	Environ	W912P908D050	4,814
U.S. Department of Defense	N/A	Flood Plain Management Service	12.104	Hydroacoustic	W912P908D050	18,172
U.S. Department of Defense	N/A	Flood Plain Management Service	12.104	Usace Nesp Reno	0	188
U.S. Department of Defense	N/A	Flood Plain Management Service	12.104	Eval	W912P908D050	43,600
U.S. Department of Defense	N/A	Planning And Assistance To States	12.110	Adr Dampier Site	W912P908D050	227,203
U.S. Department of Defense	N/A	Collaborative Research And Development	12.114	Database	W912P807D001	60,766
U.S. Department of Defense	N/A	Basic Scientific Research	12.431	Power	W911NF071042	66,014
U.S. Department of Defense	N/A	Basic Scientific Research	12.431	Cataly	W911NF081041	124,390
U.S. Department of Defense	N/A	Basic, Applied, and Advanced Research in Science and Engineering	12.630	Pre Project Assess	W912P908D050	19,000
U.S. Department of Defense	N/A	Aerospace Education Services Program	43.001	Sys	NNK090104P	12,859
<u>Awards From a Pass-Through Entity:</u>						
U.S. Department of Defense	Shaw Environmental and Infrastructure Inc.	Flood Plain Management Service	12.104	Picatinny Proj- Shaw	PO 227250 OP	1,408
U.S. Department of Defense	Tetra Tech EC, Inc.	Science And Engineering	12.300	Analytical	1020877	53,686
U.S. Department of Defense	Tetra Tech EC, Inc.	Basic And Applied Scientific Research	12.300	Hunter Point-Terta	1036773	21,073
U.S. Department of Defense	Tetra Tech EC, Inc.	Basic And Applied Scientific Research	12.300	Hunter Point-Terta	1036773	5,485
U.S. Department of Defense	Tetra Tech EC, Inc.	Basic And Applied Scientific Research	12.300	Hunter Point-Terta	1036773	25,024
U.S. Department of Defense	Earth Tech	Basic And Applied Scientific Research	12.300	E T Orate Landfill	09S12426H11	60,523
U.S. Department of Defense	Earth Tech	Basic And Applied Scientific Research	12.300	E T Orate Landfill	09S-12542-HI	359,969
U.S. Department of Defense	Earth Tech	Basic And Applied Scientific Research	12.300	Naval		
U.S. Department of Defense	Earth Tech	Basic And Applied Scientific Research	12.300	Weapons(Nwrrp)	1036773TASK005	5,329

(Continued)

**SOUTHERN UNIVERSITY SYSTEM
BATON ROUGE CAMPUS
SCHEDULE OF FIXED-PRICE CONTRACTS
FOR THE YEAR ENDED JUNE 30, 2010**

Source (Direct or Pass-Through) Cluster Name (if applicable) & Federal Grantor		Pass-Through Entity	Program Name	CFDA or Other Identifying No.	Project Name	Award ID Number	Revenues
<u>Awards From a Pass-Through Entity:</u>							
U.S. Department of Defense		Tetra Tech EC, Inc.	Basic And Applied Scientific Research	12.300	Tetra Tech Inc.	1036773TASK004	\$ 2,170
U.S. Department of Defense		Tetra Tech EC, Inc.	Basic And Applied Scientific Research	12.300	Tetra Tech Inc.	1036773TASK6	307,236
U.S. Department of Defense		Tetra Tech EC, Inc.	Basic And Applied Scientific Research	12.300	Tetra Tech Inc.	1036773TASK8	1,714
U.S. Department of Defense		CH2MHILL	Basic, Applied, And Advanced Research In Science And Engineering	12.630	Ch2Mhill	PO 929169	565
U.S. Department of Defense		CH2MHILL	Basic, Applied, And Advanced Research In Science And Engineering	12.630	Ch2Mhill	932010	70,990
U.S. Department of Defense		CH2MHILL	Basic, Applied, And Advanced Research In Science And Engineering	12.630	Ch2Mhill	932817	112
U.S. Department of Defense		Infrastructure Inc.	Mathematical Sciences Grants Prog.	12.901	Testing	PO 29744 OP	14,707
National Aeronautics and Space Administration		United Negro College Fund	Technology Transfer	43.002	Loni	HRD-0202178	14,513
National Aeronautics and Space Administration		Jacobs Technology	Technology Transfer	43.002	Nasa/Jacobs Tech.	HBCU-BOA-00	405,450
National Aeronautics and Space Administration		United Negro College Fund Sciences	Technology Transfer Engineering Grants	43.002	Loni		19,167
National Science Foundation		Midwest Research Institute	Energy Efficiency And Renewable Energy	47.041	Advan Scholar Eng	NAE594407006	3,584
U.S. Department of Energy		Battelle Memorial Institute	And Demonstration	81.117	Energy Conversion	ACQ-4-33623-01	71,914
U.S. Department of Energy		Communications	Emergency Fund	81.121	Approach	932010	6,400
Department of Health and Hospital		Advocate for Youth	Hiv Prevention Program	93.003	Training Firs Respo	NONE	5,742
Department of Health and Hospital		Advocate for Youth	Hiv Prevention Program	93.015	Color		6,389
Department of Health and Hospital		McFarland & Associates Inc.	Services	93.015	Color		6,119
Department of Health and Hospital		McFarland & Associates Inc.	Services	93.243	Feel Food/Feel Safe	NONE	1,054
Department of Health and Hospital		McFarland & Associates Inc.	Services	93.243	Feel Food/Feel Safe	NONE	39,081
Department of Health and Hospital		McFarland & Associates Inc.	Services	93.243	Feel Food/Feel Safe	NONE	32,230
U.S. Department of Defense		Infrastructure Inc.		N/A	Shaw Laap	PO 416632	62,185
U.S. Department of Defense		Infrastructure Inc.		N/A	Environmental	FA489006D001	22,113
Total							\$ 2,204,729

(Concluded)

SCHEDULE VII

SOUTHERN UNIVERSITY SYSTEM
NEW ORLEANS CAMPUS
SCHEDULE OF FIXED-PRICE CONTRACTS
FOR THE YEAR ENDED JUNE 30, 2010

Source (Direct or Pass-Through) Cluster Name (if applicable) & Federal Grantor	Pass-Through Entity	Program Name	CFDA or Other Identifying No.	Project Name	Award ID Number	Revenues
(1)	(1)	(1)	(1)	(1)	(1)	(1)

(1) Southern University - New Orleans Campus did not receive any revenues under the terms of fixed-price contracts during the year ended June 30, 2010.

SCHEDULE VIII

SOUTHERN UNIVERSITY SYSTEM
SHREVEPORT - BOSSIER CITY CAMPUS
SCHEDULE OF FIXED-PRICE CONTRACTS
FOR THE YEAR ENDED JUNE 30, 2010

Source (Direct or Pass-Through) Cluster Name (if applicable) & Federal Grantor	Pass-Through Entity	Program Name	CFDA or Other Identifying No.	Project Name	Award ID Number	Revenues
(1)	(1)	(1)	(1)	(1)	(1)	(1)

(1) Southern University - Shreveport - Bossier City Campus did not receive any revenues under the terms of fixed-price contracts during the year ended June 30, 2010.

SCHEDULE IX

**SOUTHERN UNIVERSITY SYSTEM
BOARD AND SYSTEM ADMINISTRATION
SCHEDULE OF NON-STATE SUB-RECIPIENTS OF MAJOR FEDERAL PROGRAMS
FOR THE YEAR ENDED JUNE 30, 2010**

Federal Grantor	CFDA or Other Identifying No.	Award ID Number	Major Program Name and Cluster Name, when applicable	Amount of Major Program Funds Disbursed to		Name of Non-State Sub-recipient
				Non-State Sub-recipient	Non-State Sub-recipient	
(1)	(1)	(1)	(1)	(1)	(1)	(1)

(1) Southern University - Board and System Administration - did not disburse any federal program funds to non-state sub-recipients during the year ended June 30, 2010.

SOUTHERN UNIVERSITY SYSTEM
BATON ROUGE CAMPUS
SCHEDULE OF NON-STATE SUB-RECIPIENTS OF MAJOR FEDERAL PROGRAMS
FOR THE YEAR ENDED JUNE 30, 2010

Federal Grantor	CFDA or Other Identifying No.	Award ID Number	Major Program Name and Cluster Name, when applicable	Amount of Major Program Funds Disbursed to		Name of Non-State Sub-recipient
				Non-State	Sub-recipient	
United States Department of Agriculture	10.216	200838820047	1890 Institution Capacity Bldg. Grants	\$ 112	Texas Agrilife Research	
United States Department of Agriculture	10.216	200838814047	1890 Institution Capacity Bldg. Grants	112,924	Rutgers, The State University	
United States Department of Agriculture	10.216	200838814047	1890 Institution Capacity Bldg. Grants	15,505	West Virginia State University	
			Sub-total	128,541		
U.S. Department of Defense	12.104	W912P908D050	Flood Plain Management Service	18,996	Ecological Specialties, Inc	
U.S. Department of Defense	12.104	W912P908D050	Flood Plain Management Service	18,165	Research & Education Center	
U.S. Department of Defense	12.104	W912P908D050	Flood Plain Management Service	43,600	Greenbrier Wetland Services	
U.S. Department of Defense	12.104	PO 227250 OP	Flood Plain Management Service	1,408	Testamerica Laboratory	
U.S. Department of Defense	12.110	W912P908D050	Planning Assistance To States	179,952	Archaeological Research Center	
U.S. Department of Defense	12.110	W912P908D050	Planning Assistance To States	2,508	Mel, Incorporated	
U.S. Department of Defense	12.114	W912P807D001	Collaborative Research And Development	60,906	HDR Engineering, Inc	
U.S. Department of Defense	12.300	1020877	Basic And Applied Scientific Research	53,686	Testamerica Laboratory	
U.S. Department of Defense	12.300	1036773	Basic And Applied Scientific Research	51,582	Testamerica Laboratory	
U.S. Department of Defense	12.300	09S12426H11	Basic And Applied Scientific Research	60,900	Testamerica Laboratory	
U.S. Department of Defense	12.300	09S-12542-HI	Basic And Applied Scientific Research	359,969	Testamerica Laboratory	
U.S. Department of Defense	12.300	1036773TASK005	Basic And Applied Scientific Research	15,986	Testamerica Laboratory	
U.S. Department of Defense	12.300	1036773TASK004	Basic And Applied Scientific Research	2,170	Testamerica Laboratory	
U.S. Department of Defense	12.300	1036773TASK6	Basic And Applied Scientific Research	307,326	Testamerica Laboratory	
U.S. Department of Defense	12.300	1036773TASK8	Basic And Applied Scientific Research	5,142	Testamerica Laboratory	
U.S. Department of Defense	12.630	W912P908D050	Basic, Applied, And Advanced Research In Science And Engineering	19,000	Ecological Specialties, Inc.	
U.S. Department of Defense	12.630	PO 929169	Basic, Applied, And Advanced Research In Science And Engineering	565	Testamerica Laboratory	

(Continued)

SOUTHERN UNIVERSITY SYSTEM
BATON ROUGE CAMPUS
SCHEDULE OF NON-STATE SUB-RECIPIENTS OF MAJOR FEDERAL PROGRAMS
FOR THE YEAR ENDED JUNE 30, 2010

Federal Grantor	CFDA or Other Identifying No.	Award ID Number	Major Program Name and Cluster Name, when applicable	Amount of Major Program Funds Disbursed to		Name of Non-State Sub-recipient
				Non-State Sub-recipient	Non-State Sub-recipient	
U.S. Department of Defense	12.630	932010	Basic, Applied, And Advanced Research In Science And Engineering	\$	70,990	Testamerica Laboratory
			Sub-total		1,272,851	
Administration	43.002	HBCU-BOA-00	Technology Transfer		32,227	McI, Incorporated
			Sub-total		32,227	
National Science Foundation	47.041	CBET-0754821	Engineering Grants		12,095	University Of Wyoming
National Science Foundation	47.049	PHY-0355471	Mathematical And Physical Sciences		1,780	Inverness Research
National Science Foundation	47.049	AST-0750931	Mathematical And Physical Sciences		16,529	University Of Massachusetts
			Sub-total		30,404	
U.S. Department of Energy	81.089	DEFG2608NT00	Fossil Energy Research And Development		10,000	Materials Solutions
U.S. Department of Energy	81.089	DEFG2608NT00	Fossil Energy Research And Development		10,170	The Pennsylvania State
			Sub-total		20,170	
Department of Health and Hospital	93.859	1S06GM076530	Biomedical Research		96,379	University
			Sub-total		96,379	
			Total	\$	1,580,572	

(Concluded)

SCHEDULE XI

**SOUTHERN UNIVERSITY SYSTEM
NEW ORLEANS CAMPUS
SCHEDULE OF NON-STATE SUB-RECIPIENTS OF MAJOR FEDERAL PROGRAMS
FOR THE YEAR ENDED JUNE 30, 2010**

Federal Grantor	CFDA or Other Identifying No.	Award ID Number	Major Program Name and Cluster Name, when applicable	Amount of Major Program Funds Disbursed to		Name of Non-State Sub-recipient
				Non-State Sub-recipient	Sub-recipient	
(1)	(1)	(1)	(1)	(1)	(1)	(1)

(1) Southern University - New Orleans campus - did not disburse any federal program funds to non-state sub-recipients during the year ended June 30, 2010.

SOUTHERN UNIVERSITY SYSTEM
SHREVEPORT - BOSSIER CITY CAMPUS
SCHEDULE OF NON-STATE SUB-RECIPIENTS OF MAJOR FEDERAL PROGRAMS
FOR THE YEAR ENDED JUNE 30, 2010

Federal Grantor	CFDA or Other Identifying No.	Award ID Number	Major Program Name and Cluster Name, when applicable	Amount of Major Program Funds Disbursed to		Name of Non-State Sub-recipient
				Non-State Sub-recipient	Non-State Sub-recipient	
(1)	(1)	(1)	(1)	(1)	(1)	(1)

(1) Southern University - Shreveport-Bossier City Campus- did not disburse any federal program funds to non-state sub-recipients during the year ended June 30, 2010.

SCHEDULE XIII

**SOUTHERN UNIVERSITY SYSTEM
BOARD AND SYSTEM ADMINISTRATION
SCHEDULE OF STATE ENTITY SUB-RECIPIENTS OF FEDERAL PROGRAMS
FOR THE YEAR ENDED JUNE 30, 2010**

Federal Grantor and CFDA or Other Identifying No.	Award or Sub-award Number	Federal Program Name and Cluster Name, when applicable	Amount of Federal Program Funds Disbursed to State Agency, Hospital, College, or University	Name of State Agency, Hospital, College or University Sub-recipient
(1)	(1)	(1)	(1)	(1)

(1) Southern University - Board and System Administration - did not disburse any federal program funds to state agency/university sub-recipients during the year ended June 30, 2010.

SOUTHERN UNIVERSITY SYSTEM
BATON ROUGE CAMPUS
SCHEDULE OF STATE ENTITY SUB-RECIPIENTS OF FEDERAL PROGRAMS
FOR THE YEAR ENDED JUNE 30, 2010

Federal Grantor and CFDA or Other Identifying No.	Award or Sub-award Number	Federal Program Name and Cluster Name, when applicable	Amount of Federal Program Funds Disbursed to		Name of State Agency, Hospital, College or University Sub-recipient
			State Agency, Hospital, College, or University	\$	
U.S. DEPARTMENT OF AGRICULTURE 10.216	200838814047	1890 Institution Capacity Bldg. Grants		45,431	Louisiana State University
		Sub-total		45,431	
U.S. DEPARTMENT OF DEFENSE 12.300	N00014081095	Basic And Applied Scientific Research		41,817	Louisiana State University
		Sub-total		41,817	
NATIONAL SCIENCE FOUNDATION 47.049	PHY-0917543	Mathematical And Physical Sciences		102,294	Louisiana Board Of Regents
	PHY-0355471	Mathematical And Physical Sciences		197,516	Louisiana Board Of Regents
	HRD-0734845	Education And Human Resources		158,910	Louisiana State University
	DUE-0733802	Education And Human Resources		410	Louisiana State University
		Sub-total		459,130	
		Total		\$ 546,378	

SOUTHERN UNIVERSITY SYSTEM
NEW ORLEANS CAMPUS
SCHEDULE OF STATE ENTITY SUB-RECIPIENTS OF FEDERAL PROGRAMS
FOR THE YEAR ENDED JUNE 30, 2010

Federal Grantor and CFDA or Other Identifying No.	Award or Sub-award Number	Federal Program Name and Cluster Name, when applicable	Amount of Federal Program Funds Disbursed to		Name of State Agency, Hospital, College or University Sub-recipient
			State Agency, Hospital, College, or University	State Agency, Hospital, College, or University	
(1)	(1)	(1)	(1)	(1)	(1)

(1) Southern University - New Orleans Campus - did not disburse any federal program funds to state agency/university sub-recipients during the year ended June 30, 2010.

SOUTHERN UNIVERSITY SYSTEM
SHREPORT - BOSSIER CITY CAMPUS
SCHEDULE OF STATE ENTITY SUB-RECIPIENTS OF FEDERAL PROGRAMS
FOR THE YEAR ENDED JUNE 30, 2010

Federal Grantor and CFDA or Other Identifying No.	Award or Sub-award Number	Federal Program Name and Cluster Name, when applicable	Amount of Federal Program Funds Disbursed to State Agency, Hospital, College, or University	Name of State Agency, Hospital, College or University Sub-recipient
(1)	(1)	(1)	(1)	(1)

(1) Southern University - Shreveport-Bossier City Campus - did not disburse any federal program funds to state agency/university sub-recipients during the year ended June 30, 2010.

SOUTHERN UNIVERSITY SYSTEM
BOARD AND SYSTEM ADMINISTRATION
SCHEDULE OF DISBURSEMENTS OF ARRA FUNDS TO SUB-RECIPIENTS
FOR THE YEAR ENDED JUNE 30, 2010

Federal Grantor	CFDA or Other Identifying No.	Award ID Number	Major Program Name and Cluster Name, when applicable	Amount of	
				ARRA Program Funds Disbursed to Sub-recipient	State/Non-State Sub-recipient
(1)	(1)	(1)	(1)	(1)	(1)

(1) Southern University - Board and System Administration - did not disburse any ARRA funds to sub-recipients during the year ended June 30, 2010.

SOUTHERN UNIVERSITY SYSTEM
BATON ROUGE CAMPUS
SCHEDULE OF DISBURSEMENTS OF ARRA FUNDS TO SUB-RECIPIENTS
FOR THE YEAR ENDED JUNE 30, 2010

Federal Grantor	CFDA or Other Identifying No.	Award ID Number	Major Program Name and Cluster Name, when applicable	Amount of ARRA Program Funds Disbursed to		State/Non-State Sub-recipient
				Sub-recipient		
U.S. Department of Defense	12.104	W912P908D050	ARRA-Flood Plain Management Service	\$	201,297	Lewis And Clark Community College
U.S. Department of Defense	12.104	W912P908D050	ARRA-Flood Plain Management Service		2,475	Mel, Incorporated
Total				\$	203,772	

SOUTHERN UNIVERSITY SYSTEM
NEW ORLEANS CAMPUS
SCHEDULE OF DISBURSEMENTS OF ARRA FUNDS TO SUB-RECIPIENTS
FOR THE YEAR ENDED JUNE 30, 2010

Federal Grantor	CFDA or Other Identifying No.	Award ID Number	Major Program Name and Cluster Name, when applicable	Amount of ARRA Program Funds Disbursed to	
				Sub-recipient	State/Non-State Sub-recipient
(1)	(1)	(1)	(1)	(1)	(1)

(1) Southern University - New Orleans Campus - did not disburse any ARRA funds to sub-recipients during the year ended June 30, 2010.

SOUTHERN UNIVERSITY SYSTEM
SHREVEPORT BOSSIER CITY CAMPUS
SCHEDULE OF DISBURSEMENTS OF ARRA FUNDS TO SUB-RECIPIENTS
FOR THE YEAR ENDED JUNE 30, 2010

Federal Grantor	CFDA or Other Identifying No.	Award ID Number	Major Program Name and Cluster Name, when applicable	Amount of ARRA Program Funds Disbursed to	
				Sub-recipient	State/Non-State Sub-recipient
(1)	(1)	(1)	(1)	(1)	(1)

(1) Southern University - Shreveport Bossier City Campus - did not disburse any ARRA funds to sub-recipients during the year ended June 30, 2010.

OTHER INDEPENDENT AUDITORS' REPORTS

Silva Gurtner & Abney

Certified Public Accountants & Consultants

Brent A. Silva, CPA
Craig A. Silva, CPA*
Thomas A. Gurtner, CPA*
Kenneth J. Abney, CPA, MS Tax*

*Limited Liability Companies

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Dr. Robert Mason, Jr., President
Southern University System
Baton Rouge, Louisiana

We have audited the Schedules of Expenditures of Federal Awards of Southern University System as of and for the year ended June 30, 2010, and have issued our report thereon dated March 16, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Southern University System's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the Schedules of Expenditures of Federal Awards, but not for the purpose of expressing an opinion on the effectiveness of Southern University System's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Southern University System's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of Southern University System's Schedules of Expenditures of Federal Awards will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Southern University System's Schedules of Expenditures of Federal Awards are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreement, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests of compliance disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended for the information and use of the President, management, federal awarding agencies, pass-through entities, and the Louisiana Legislative Auditor. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Silva Gurtner & Abney, LLC

March 16, 2011

Silva Gurtner & Abney

Certified Public Accountants & Consultants

Brent A. Silva, CPA
Craig A. Silva, CPA*
Thomas A. Gurtner, CPA*
Kenneth J. Abney, CPA, MS Tax*

*Limited Liability Companies

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH OF THE MAJOR PROGRAMS AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OFFICE OF MANAGEMENT AND BUDGET (OMB) CIRCULAR A-133

Dr. Robert Mason, Jr., President
Southern University System
Baton Rouge, Louisiana

Compliance

We have audited the compliance of Southern University System with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2010. The component unit financial statements were audited by the State of Louisiana's Legislative Auditor whose report had not been issued as of our report issuance date. Southern University System's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Southern University System's management. Our responsibility is to express an opinion on Southern University System's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Southern University System's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Southern University System's compliance with those requirements.

In our opinion, Southern University System complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2010-1, 2010-2, and 2010-3.

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Internal Control over Compliance

The management of Southern University System is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Southern University System's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Southern University System's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2010-2 to be a significant deficiency.

Southern University System's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the Southern University System's responses and, accordingly, we express no opinion on them.

This report is intended for the information and use of the President, management, federal awarding agencies, pass-through entities, and the Louisiana Legislative Auditor. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Silva Gartner & Abney, LLC

March 16, 2011

**SOUTHERN UNIVERSITY SYSTEM
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SUMMARY OF THE INDEPENDENT AUDITORS' RESULTS
FOR THE YEAR ENDED JUNE 30, 2010**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued

on the Schedule of Expenditures of Federal Awards:

Internal control over financial reporting:

Material weaknesses identified?

Significant deficiencies identified

not considered to be material weaknesses?

	<u>Unqualified</u>	
_____ yes	<u>X</u>	no
_____ yes	<u>X</u>	none reported
_____ yes	<u>X</u>	no

Noncompliance material to financial statements noted

Federal Awards

Internal control over major programs:

Material weaknesses identified?

Significant deficiencies identified

not considered to be material weaknesses?

_____ yes	<u>X</u>	no
<u>X</u> yes		none reported

Type of auditors' report issued on compliance
for major programs:

Unqualified

Any audit findings disclosed that are required
to be reported in accordance with
Circular A-133, Section .510 (a)?

X yes _____ no

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
84.007	Federal Supplemental Educational Opportunity Grants
84.032	Federal Family Education Loans
84.033	Federal Work-Study Program
84.063	Federal Pell Grant Program
84.375	Academic Competitiveness Grants
84.376	National Science and Mathematics Access to Retain Talent (SMART) Grants
84.379	Teacher Education Assistance for College and Higher Education Grants
84.394	ARRA-State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act (Education Stabilization Fund)
93.658	Foster Care - Title IV-E
97.036	Disaster Grants - Public Assistance
Various	Research and Development

Dollar threshold used to distinguish between Type A and Type B programs:

<u>Program</u>	<u>Amount</u>
Type A	Major Program Determination Performed on a State Level

Auditee qualified as low-risk audit?

No

**SOUTHERN UNIVERSITY SYSTEM
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2010**

SCHEDULE II

There were no financial statement findings noted.

SCHEDULE III
SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

**SOUTHERN UNIVERSITY SYSTEM
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
BATON ROUGE CAMPUS
FOR THE YEAR ENDED JUNE 30, 2010**

SCHEDULE III

INTERNAL CONTROL OVER COMPLIANCE AND COMPLIANCE

Audit Finding Reference Number

Questioned Cost

2010-1 - Late submission of ARRA reports under section 1512

None noted

Federal Program and Specific Federal Award Identification

CFDA Title and Number

47.082 - ARRA-TRANS-NSF Recovery Act Research Support

93.701 - ARRA-TRANS-NIH Recovery Act Research Support

Federal Agencies

47.082 - U.S. National Science Foundation

93.701 - U.S. Department of Health and Human Services

Pass-Through Entity

Not applicable

Criteria: Reporting and registration requirements under section 1512 of the American Recovery and Reinvestment Act of 2009 (Public Law 111-5) state the reports are due no later than ten calendar days after each calendar quarter in which the recipient receives the assistance award funded in whole or in part by the Recovery Act.

Condition: Two (2) reports out of twelve (12) tested were submitted after ten calendar days after each calendar quarter as required by section 1512. In addition, one (1) report out of twelve (12) tested could not be located.

Cause: The principal investigator was out of the country either before or during the submission period causing the delay in submission.

Effect: The University has not complied with section 1512 of the American Recovery and Reinvestment Act of 2009.

Recommendation: Management should assign secondary personnel responsible to submit the reports while the principal investigator was unavailable.

Management's corrective action plan: Management will institute procedures to ensure that the required reports are submitted in a timely manner.

**SOUTHERN UNIVERSITY SYSTEM
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
NEW ORLEANS CAMPUS
FOR THE YEAR ENDED JUNE 30, 2010**

SCHEDULE III

INTERNAL CONTROL OVER COMPLIANCE AND COMPLIANCE, CONTINUED

Audit Finding Reference Number

Questioned Cost

2010-2 - Verification

\$ 4,872

Federal Program and Specific Federal Award Identification

CFDA Title and Number

84.063 - Federal Pell Grant Program

84.032 - Federal Family Education Loans (FFEL)

84.007 - Federal Supplemental Educational Opportunity Grant (SEOG)

Federal Agencies

U.S. Department of Education

Pass-Through Entity

None

Criteria: OMB Circular A-133 Compliance Supplement, Part 5, Student Financial Assistance Programs, Section III, Part N - Special Test and Provisions stipulates that the University is required to establish written policies and procedures that incorporate the provisions of 34 CFR sections 668.51 through 668.61 for verifying applicant information. The University shall require each applicant whose application is selected by the central processor, based on edits specified by the Department of Education, to verify the information specified in 34 CFR sections 668.56.

Condition: Two (2) students out of twenty five (25) tested had verification information that conflicted with the verified documentation.

Questioned Costs: Questioned costs totaling \$4,872 are as follows:

<u>Program</u>	<u>Amount</u>
Federal Pell Grant	\$ 6,688
Federal SEOG Grant	400
Federal Family Education Loans	<u>(2,216)</u>
Total	<u>\$ 4,872</u>

Cause: The University did not properly ensure that all required verifiable information was corrected in the Free Application for Federal Student Aid prior to the awarding and disbursing of financial aid.

Effect: The University disbursed an incorrect amount of financial aid to students based on the incorrect information from the Free Application for Federal Student Aid.

**SOUTHERN UNIVERSITY SYSTEM
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
NEW ORLEANS CAMPUS
FOR THE YEAR ENDED JUNE 30, 2010**

SCHEDULE III

INTERNAL CONTROL OVER COMPLIANCE AND COMPLIANCE, CONTINUED

Audit Finding Reference Number

Questioned Cost

2010-2 - Verification, continued

\$ 4,872

Recommendation: Management should adhere to established procedures to ensure that all verification information is obtained, verified, and corrected prior to the disbursement of financial aid.

Management's corrective action plan: Management will adhere to established procedures to ensure that all verification information is obtained and verified prior to the disbursement of financial aid.

Audit Finding Reference Number

Questioned Cost

2010-3 - Return of Title IV Funds

None noted

Federal Program and Specific Federal Award identification

CFDA Title and Number

84.063 - Federal Pell Grant Program

84.032 - Federal Family Education Loans (FFEL)

Federal Agencies

U.S. Department of Education

Pass-Through Entity

None

Criteria: OMB Circular A-133 Compliance Supplement, Part 5 Section (N) (4) specifies that when a student receives Title IV assistance and withdraws from an institution, the institution must determine the amount of Title IV aid earned by the student as of the withdrawal date. The difference between any amounts earned that is less than the amount disbursed must be returned to the Title IV program within the prescribed time frame.

Condition:

a. Five (5) students out of ten (10) tested whose funds were required to be returned by the University were not returned within the prescribed forty-five (45) days.

b. Five (5) student out of ten (10) tested whose calculation was prepared after 30 days after the end of the earlier of the period of enrollment or academic year.

Cause: The University failed to adhere to established procedures in processing certain refunds.

**SOUTHERN UNIVERSITY SYSTEM
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
NEW ORLEANS CAMPUS
FOR THE YEAR ENDED JUNE 30, 2010**

SCHEDULE III

INTERNAL CONTROL OVER COMPLIANCE AND COMPLIANCE, CONTINUED

Audit Finding Reference Number

Questioned Cost

2010-3 - Return of Title IV Funds, continued

None noted

Effect: The University has not complied with Title IV regulations that specify if a student withdraws from school, a refund must be remitted to the Title IV program in accordance within prescribed time frames.

Recommendation: Management should immediately make the necessary steps to return the funds to the Department of Education and implement procedures to ensure compliance within the prescribed time frames.

Management's corrective action plan: Management will make the necessary steps to return the funds to the Department of Education and implement procedures to ensure compliance within the prescribed time frames.

**SOUTHERN UNIVERSITY SYSTEM
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
BATON ROUGE CAMPUS
FOR THE YEAR ENDED DECEMBER 31, 2009**

INTERNAL CONTROL OVER COMPLIANCE AND COMPLIANCE

Audit Finding Reference Number

Questioned Cost

2009-1 - Return of Title IV Funds

Undeterminable

Federal Program and Specific Federal Award Identification

CFDA Title and Number

84.063 - Federal Pell Grant Program

84.032 - Federal Family Education Loans (FFEL)

Federal Agencies

U. S. Department of Education

Pass-Through Entity

Not applicable

Condition: Eighteen (18) students out of twenty (20) tested whose funds to be returned by the University were not returned within the prescribed forty-five (45) days; and seventeen (17) students withdrew on or before the sixty percent point of enrollment and received Title IV aid. The students were required to have a Return of Title IV funds calculation on file but no calculation was done.

Recommendation: Management should immediately make the necessary steps to prepare the Return of Title IV Funds calculation, and return the funds to the Department of Education as well as implementing procedures to correct the noted deficiencies.

Current status: Resolved. The Campus has made appropriate calculations in the amount of \$22,535.00 for the students noted and funds have been returned to the appropriate agencies. Management has implemented procedures to correct the noted deficiencies.

**SOUTHERN UNIVERSITY SYSTEM
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
BATON ROUGE CAMPUS
FOR THE YEAR ENDED DECEMBER 31, 2009**

INTERNAL CONTROL OVER COMPLIANCE AND COMPLIANCE, CONTINUED

Audit Finding Reference Number

2009-2 - Student Credit Balance

Federal Program and Specific Federal Award Identification

CFDA Title and Number

84.063 - Federal Pell Grant Program

84.032 - Federal Family Education Loans (FFEL)

Federal Agencies

U. S. Department of Education

Pass-Through Entity

Not applicable

Condition: Twelve (12) out of fifty (50) students tested had student financial aid credit balances but the University did not refund the credit balances to the students within the fourteen (14) day requirement.

Recommendation: Management should immediately make the necessary steps to ensure that students receive their refund checks within the required time frames as required by Title IV regulations.

Current status: Resolved. Management has updated its procedures and processing times for calculation of the funds to students to ensure funds were returned to students within required time frames.

**SOUTHERN UNIVERSITY SYSTEM
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
NEW ORLEANS CAMPUS
FOR THE YEAR ENDED DECEMBER 31, 2009**

INTERNAL CONTROL OVER COMPLIANCE AND COMPLIANCE, CONTINUED

Audit Finding Reference Number

2009-3 - Matching, Level of Effort, Earmarking

Federal Program and Specific Federal Award Identification

CFDA Title and Number

93.658 - Foster Care Title IV-E

Federal Agencies

U.S. Department of Health and Human Services

Pass-Through Entity

Louisiana Department of Social Services

Condition: The University was unable to provide documentation that the required cost share specified in the grant was provided.

Recommendation: Management should establish procedures to ensure the cost share provided is appropriately documented in financial records and reports.

Current status: Resolved. Management has established new procedures to ensure the cost share provided is appropriately documented in financial records and reports.

Audit Finding Reference Number

2009-4 - Procurement, Suspension, and Debarment

Federal Program and Specific Federal Award Identification

CFDA Title and Number

84.031- Higher Education Institutional Aid

Federal Agencies

U.S. Department of Education

Pass-Through Entity

None

Condition: The University was unable to support the verification of four (4) out of four (4) entities selected for testing with respect to the suspension and debarment compliance requirement.

**SOUTHERN UNIVERSITY SYSTEM
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
NEW ORLEANS CAMPUS
FOR THE YEAR ENDED DECEMBER 31, 2009**

INTERNAL CONTROL OVER COMPLIANCE AND COMPLIANCE, CONTINUED

Audit Finding Reference Number

2009-4 - Procurement, Suspension, and Debarment, continued

Recommendation: Management should establish procedures to ensure that supporting documentation for the verification of entities that enter into covered transactions are not suspended, debarred, or otherwise excluded from doing business with the federal government is supported and maintained by University personnel.

Current status: Resolved. Management has established procedures to ensure that supporting documentation for the verification of entities that enter into covered transactions are not suspended, debarred, or otherwise excluded from doing business with the federal government is supported and maintained by University personnel.

Audit Finding Reference Number

Questioned Cost

2009-5 - Ineligible Pell Recipient

\$ 14,202

Federal Program and Specific Federal Award Identification

CFDA Title and Number

84.063 - Federal Pell Grant Program

84.032 - Federal Family Education Loans (FFEL)

Federal Agencies

U.S. Department of Education

Pass-Through Entity

None

Condition: Two (2) students out of fifty (50) tested whose Institutional Student Information Report indicated that the student was in default of a Title IV loan, yet the University disbursed funds to the student without verifying that the student made arrangements with the Department of Education to make payment arrangements.

Recommendation: Management should adhere to established procedures to ensure Title IV aid is disbursed to recipients who have met the requirements for disbursement.

Current status: Resolved. The students aforementioned above were initially not in default at the time the aid was processed and the students were eligible to receive Title IV aid. Management will adhere to established procedures to ensure Title IV aid is disbursed to recipients who have met the requirements for disbursement.

**SOUTHERN UNIVERSITY SYSTEM
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
NEW ORLEANS CAMPUS
FOR THE YEAR ENDED DECEMBER 31, 2009**

INTERNAL CONTROL OVER COMPLIANCE AND COMPLIANCE, CONTINUED

<u>Audit Finding Reference Number</u>	<u>Questioned Cost</u>
2009-6 - Verification	\$ 67,188

Federal Program and Specific Federal Award Identification

CFDA Title and Number

84.063 - Federal Pell Grant Program

84.032 - Federal Family Education Loans (FFEL)

84.007 - Federal Supplemental Educational Opportunity Grant (SEOG)

Federal Agencies

U.S. Department of Education

Pass-Through Entity

None

Condition: Eleven (11) students out of thirty-eight (38) tested whose verification information was conflicting with the verified documentation or the verification information was not verified.

Recommendation: Management should adhere to established procedures to ensure that all verification information is obtained and verified prior to the disbursement of financial aid.

Current status: Not resolved. Management will adhere to established procedures to ensure that all verification information is obtained and verified prior to the disbursement of financial aid.

<u>Audit Finding Reference Number</u>	<u>Questioned Cost</u>
2009-7 - Satisfactory Academic Progress	\$ 15,825

Federal Program and Specific Federal Award Identification

CFDA Title and Number

84.063 - Federal Pell Grant Program

84.032 - Federal Family Education Loans (FFEL)

84.007 - Federal Supplemental Educational Opportunity Grant (SEOG)

Federal Agencies

U.S. Department of Education

Condition: Two (2) students out of fifty (50) tested were awarded and received financial aid, although the students did not meet the University's standards for achieving satisfactory academic progress.

**SOUTHERN UNIVERSITY SYSTEM
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
NEW ORLEANS CAMPUS
FOR THE YEAR ENDED DECEMBER 31, 2009**

INTERNAL CONTROL OVER COMPLIANCE AND COMPLIANCE, CONTINUED

<u>Audit Finding Reference Number</u>	<u>Questioned Cost</u>
2009-7 - Satisfactory Academic Progress, continued	\$ 15,825

Recommendation: Management should adhere to established procedures to as documented in the revised satisfactory academic progress policy and monitor the academic standing of all students prior to awarding student financial aid.

Current status: Resolved. Management adheres to established procedures and monitors the academic standing of all students prior to awarding student financial aid.

<u>Audit Finding Reference Number</u>	<u>Questioned Cost</u>
2009-8 - Return of Title IV Funds	\$ 1,099

Federal Program and Specific Federal Award identification

CFDA Title and Number

84.063 - Federal Pell Grant Program

Federal Agencies

U.S. Department of Education

Pass-Through Entity

None

Condition:

- Two (2) students out of twenty (20) tested whose funds to be returned by the University were not returned within the prescribed forty-five (45) days.
- One (1) student out of twenty (20) tested whose calculation was done incorrectly. This resulted in the University returning less funds than were required. The University under-returned \$12; and
- Two (2) students out of twenty (20) tested who had a post-withdrawal disbursement and the required amount to be returned to the students was not documented as returned to the student. The amount to be returned was \$1,087.

Recommendation: Management should immediately make the necessary steps to prepare the Return of Title IV Funds calculation, and return the funds to the Department of Education.

Current status: Not resolved. Management will make the necessary steps to prepare the Return of Title IV Funds calculation, and return the funds to the Department of Education.

**SOUTHERN UNIVERSITY SYSTEM
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
SHREVEPORT-BOSSIER CITY CAMPUS
FOR THE YEAR ENDED DECEMBER 31, 2009**

INTERNAL CONTROL OVER COMPLIANCE AND COMPLIANCE, CONTINUED

Audit Finding Reference Number

2009-9 - Davis-Bacon Act

Federal Program and Specific Federal Award Identification

CFDA Title and Number

84.031 - Higher Education Institutional Aid

Federal Agencies

U.S. Department of Education

Pass-Through Entity

None

Condition: The University did not have procedures in place to monitor for Davis Bacon compliance when a construction project is funded with federal dollars.

Recommendation: Management should implement procedures that require responsible grant personnel to notify management when construction or renovation projects are funded with federal funds.

Current status: Resolved. Management has implemented procedures that require responsible grant personnel to notify management when construction or renovation projects are funded with federal funds.

Audit Finding Reference Number

2010-10 - Exit Counseling

Federal Program and Specific Federal Award Identification

CFDA Title and Number

84.032 - Federal Family Education Loans (FFEL)

Federal Agencies

U.S. Department of Education

Pass-Through Entity

None

Condition: Three (3) students out of six (6) tested who received Title IV funds, graduated or ceased to enroll at least half-time and did not have documentation of exit counseling.

Recommendation: The University should ensure that all Title IV recipients who withdraw from the University receive exit counseling.

**SOUTHERN UNIVERSITY SYSTEM
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
SHREVEPORT-BOSSIER CITY CAMPUS
FOR THE YEAR ENDED DECEMBER 31, 2009**

INTERNAL CONTROL OVER COMPLIANCE AND COMPLIANCE, CONTINUED

Audit Finding Reference Number

2009-10 - Exit Counseling, continued

Current status: Resolved. Exit counseling is conducted to ensure that all Title IV recipients who withdraw from the University are aware of their rights and responsibilities subsequent to withdrawing from school.

Audit Finding Reference Number

Questioned Cost

2009-11 - Entrance Counseling

\$ 9,800

Federal Program and Specific Federal Award Identification

CFDA Title and Number

84.032 - Federal Family Education Loans (FFEL)

Federal Agencies

U.S. Department of Education

Pass-Through Entity

None

Condition:

- Two (2) students were first-time borrowers and received a FFEL loan without have an entrance counseling session; and
- Two (2) students were first-time borrowers and received a FFEL loan disbursement prior to having an entrance counseling session.

Recommendation: The University should ensure that all first time borrowers receive entrance counseling prior to receiving loans being disbursed.

Current status: Resolved. The Campus has hired a loan coordinator with the specific responsibility of ensuring compliance with Title IV regulations regarding entrance counseling. Additionally, the Campus is developing a Loan Management Default Team tasked with reviewing and strengthening the overall internal controls as it relates to loan management.

Silva Gurtner & Abney

Certified Public Accountants & Consultants

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MANAGEMENT LETTER COMMENTS

March 16, 2011

Dr. Ronald Mason, Jr., President
Southern University System
Baton Rouge, Louisiana

Below are the management letter comments noted during the audit of the Schedule of Expenditures of Federal Awards for the year ended June 30, 2010.

Baton Rouge Campus:

Issue 1: One student of twenty six tested during eligibility testing of the Student Financial Aid Cluster had different a number in household and number in college per the verification process than the Institutional Student Information Record (ISIR) form. The difference number in household and number in college resulted in an incorrect Expected Family Contribution which caused the campus to disburse \$3,400 instead of \$4,600 to the student (a difference of \$1,200 in the PELL grant disbursement).

Recommendation: Any discrepancies noted during the verification process should be entered into ISIR to correctly determine the amount of financial aid students are eligible for and any differences in funding should be requested for authorization by the Department of Education and if authorized, additional amounts should be disbursed.

Management's response: The University will adhere to the established guidelines regarding Verification and ensure that student are awarded and receive aid in accordance with the results of the Verification process. In this isolated case, the student received less than he/she was eligible for. The university will seek approval from the Department of Education to provide the student with the remaining funds.

Issue 2: Due to the transition from FFEL to Direct Lending (effective July 1, 2010), all loans formerly held by Sallie Mae were sold to the Department of Education. As a result, the campus was unable to provide supporting documentation that the Title IV refund was refunded to Department of Education within 45 days of notice that student withdrew for the 10 selected students.

Recommendation: Information regarding Title IV refunds should be kept on file that can be accessed at all times by the University instead of relying on another system.

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Management's response: All funds identified to be returned to the lender were returned and documented in the University's response to the auditors. Due to the transition from the FFEL program to Direct Lending, all loans previously held by FFEL Lenders (Serviced by Sallie Mae) were sold to DOE. As a result, Sallie Mae does not provide evidence of the date the funds were returned.

Issue 3: The Campus refunded to the Department of Education \$1,491 more than the Title IV refund calculation (R2T4) for two out of 10 students selected.

Recommendation: The Campus should review the R2T4 calculation and ensure that the correct refund amount is submitted to the Department of Education.

Management's response: Management will ensure that established procedures are being followed to ensure that the proper amount according to the R2T4 calculation is remitted to the Department of Education.

We are happy to discuss this letter at your convenience.

Sincerely,

Silva Gurtner & Abney, LLC